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CENTRAL INTELLIGENCE AGENCY

REPORT

CD NO.

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COUNTRY Hungary

SUBJECT Economic - Machine tools

DATE OF INFORMATION 1948

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SUPPLEMENT TO REPORT NO.

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DATA FROM THE WORK PLAN OF THE TECHNICAL DEPARTMENT, HUNGARIAN HEAVY INDUSTRY CENTER, 1 MAY - 31 DECEMBER 1948

Machine-Procurement Section

The work plan of the Machine Procurement Section of the Technical Department sets up a schedule for concluding machine-tool purchase agreements and provides for other work as follows:

1. Conclude contracts for the procurement of machine tools from the Kovostroj Company of Czechoslovakia in 1948.

2. Place the 1948 order with Italy upon receipt of price quotations.

3. Compile a list of items to be ordered from Great Britain and Switzerland during 1948. British gifts of machinery will be fitted into the Three-Year Plan.

4. Compile the list of items to be included in the Belgian purchase agreements for 1948.

5. Conclude the 1949 contracts with the Kovostroj Company of Czechoslovakia.

6. Plan machine-tool purchases in connection with the renewal of the trade agreement with Sweden when it expires on 31 July 1948, with Switzerland and Denmark when they expire on 30 September 1948, with Czechoslovakia and France when they expire on 31 October 1948, and with Italy when it expires on 9 November 1948.

7. Start compiling the 1949 orders to be placed with Switzerland, Sweden, Denmark, US, Great Britain, and Belgium.

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8. Draw up the 1949 orders, on the basis of the new commercial agreements with France, Italy, and Czechoslovakia.

The Three-Year Plan calls for installation of 1,370 new machine tools. About 700 of these machines will be installed during the first year of the plan. Up to the present time, the main purchasing department and the machine-purchasing section have purchased 88 and 119 machines, respectively, from abroad. Only 54 machines are paid for.

About 45 million forints are needed to pay for machines already ordered and for those to be ordered.

Production section

Details of the Production Section work plan are given in Table 1.

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PRODUCTION SECTION WORK PLAN

Table 1. Actual and Planned Production for Five Major Heavy Industry Enterprises

Description	Unit	1947 Nov	Dec	1948 Jan Actual Production	Feb	Mar
Total External Production, Five Major Enterprises*	Million forints	125.900	136.860	144.5	151.22	166.48
Manfred Weiss	"	33.230	35.648	39.079	40.504	44.512
Magyar Wagon	"	15.31	14.86	14.79	16.83	18.39
Ganz Plants						
a. Total external production	"	23.8	22.9	26.3	25.8	27.6
b. Car plant production	"	11.095	11.580	11.366	13.568	13.688
c. Machine plant production	"	2.54	1.73	2.45	2.04	2.62
d. Electrical plant	"					
Total production	"	2.75	4.1	6.05	4.45	5.8
External shipments	"	1.73	2.1	3.85	2.2	3.2
Production for main plant	"	0.73	1.29	1.63	1.8	1.8
Production for internal use	"	0.29	0.57	0.54	0.46	0.69

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Table 1 (Continued)

Description	Unit	1947 Nov	1947 Dec	1948 Jan Actual Production	1948 Feb	1948 Mar
e. Shipyard						
External production	Million forints	4.1	14.3	2.55	2.70	2.3
Internal production	"	1.6	0.95	1.0	0.85	11.3 [sic]
MAVAG-Budapest plant	"	15.7	21.4	22.5	21.7	26.7
MAVAG-Diosgyor plant	"	14.31	15.71	16.35	16.72	17.78
Rima	"	25.26	26.95	26.32	29.88	31.50
Salgotarjan	"	4.6	5.05	5.24	5.2	5.6
Borsodnadasd	"	4.468	4.853	5.1	5.3	5.845
Ozd	"	16.2	16.6	16.2	19.5	19.947
Total Steel Production of MIK Enterprises	Thousand tons	52.7	50.7	56.5	56.7	60.7
Total Finished Goods at Rolling Mills of Five Major Enterprises	Million forints	29.8	30.7	31.9	34.3	33.9
Total Steel Foundry Production of Five Major Enterprises	Tons	1,107.	1,066.	1,156.	1,171.	1,330.
Total Iron Foundry Production of Five Major Enterprises	Thousand tons	2.575	2.631	2.862	2.58	3.071
Total Forge Production of Five Major Enterprises	Tons	4,650.	4,150.	4,950.	4,900.	5,700.

*[Discrepancies will be noted between this total and the sum of the totals of the five individual plants.]

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Table No 1 (Cont'd)

Description	Unit	1948 Planned Production Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Total External Production, Five Major Enterprises	Million forints	166.33	171.54	178.88	180.63	184.36	190.04	196.39	202.52	198.53
Manfred Weiss	"	42.942	44.691	46.035	47.170	48,620	49.800	51.005	52.200	50.000
Magyar Waggon	"	20.49	20.32	18.73	18.45	19.73	22.36	22.99	23.57	24.5
Ganz Plants										
a. Total external production	"	27.2	27.9	30.9	31.4	31.5	30.7	33.1	34.3	34.5
b. Car plant production	"	13.159	13.338	16.114	15.300	13.700	13.300	14.100	14.200	14.200
c. Machine plant production	"	3.03	2.50	2.47	2.78	3.77	3.22	3.92	4.72	3.97
d. Electrical plant	"									
Total production	"	6.0	6.75	6.0	6.9	7.6	8.2	8.9	9.5	10.0
External shipments	"	3.4	4.3	3.8	4.55	5.1	5.2	6.0	6.4	6.8
Production for main plant	"	2.02	1.63	1.63	1.6	1.76	2.2	2.05	2.2	2.25
Production for internal use	"	0.58	0.82	0.57	0.75	0.74	0.8	0.85	0.9	0.95
e. Shipyard										
External production	"	4.5	11.3	.85	3.70	11.0	2.3	3.0	9.0	9.9

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Table 1 (Continued)

Description	Unit	1948 Planned Production								
		Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Internal production	Million forints	0.80	0.65	1.3	2.95	1.15	1.10	0.45	0.85	1.45
MAVAG-Budapest plant	"	27.3	28.2	30.2	29.9	30.5	31.3	32.3	33.5	31.7
MAVAG-Diosgyor plant	"	18.1	19.28	20.75	21.22	21.76	22.65	24.0	25.65	25.63
Rima	"	30.30	31.15	32.27	32.49	32.85	33.23	33.0	33.3	32.2
Salgotarjan	"	5.35	5.45	5.57	5.59	5.65	5.73	6.2	6.5	6.2
Borsodnadasd	"	5.5	5.5	5.7	5.8	6.0	6.0	6.0	6.0	6.0
Czd	"	19.45	21.2	21.0	21.1	21.2	20.5	21.2	20.8	20.0
Total Steel Production of NIK Enterprises	Thousand tons	57.8	61.0	60.5	61.3	63.2	63.4	64.8	65.0	62.9
Total Finished Goods at Rolling Mills of Major Enterprises	Million forints	33.35	34.3	35.5	35.7	36.5	36.4	37.1	37.0	34.9
Total Steel Foundry Production of Five Major Enterprises	Tons	1230	1290	1290	1350	1120	1260	1290	1310	1310
Total Iron Foundry Production of Five Major Enterprises	Thousand tons	2.925	2.785	2.830	2.900	2.841	2.995	3.175	3.100	3.040
Total Forge Production of Five Major Enterprises	Tons	5100	5250	5350	5400	5450	5500	5700	5900	6050

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Table 2. Comparison of Actual and Planned Production for Five Major Heavy Industry Enterprises (in million forints)

Enterprise or Plant	Mar 48 Actual	May 48 Planned	Nov 48 Planned	Av Nov 47-May 48	Av Jun 48-Dec 48	Inc in Av Production (in %)
Rima	31.5	31.2	33.3	28.7	32.6	13.5
Ganz	27.6	27.9	34.3	25.9	32.3	24.5
Manfred Weiss	44.5	44.7	52.2	40.0	49.2	22.8
MAVAG-Budapest	26.7	28.2	33.5	23.3	31.3	34.2
MAVAG-Diosgyor	17.8	19.3	25.7	16.8	23.0	36.6
Magyar Waggon	18.4	20.3	23.6	17.3	21.5	24.2
Total	166.5	171.6	202.6	152.0	189.9	24.6

According to Table 2, production of the five major enterprises will increase from 166,500,000 forints in March 1948 to 202,600,000 forints in November 1948. Investment goods valued at 1,500,000-2,000,000 forints are included in the estimated external production of 202,600,000 forints for November 1948. The largest increase has been planned for the MAVAG enterprise because its plants at Budapest and Diosgyor have not been operating at full capacity and are therefore capable of handling the planned production increase.

Increase in the average external production of the Manfred Weiss plant will be only 22.8 percent, because the amount of steel and metal available for external production can be increased by only a small percent.

The planned 33.5-percent production increase for the Rima enterprise represents a substantial gain, but it can be realized only if the increase in steel production is attained.

Table 3 shows the number of machine tools in each of four categories for each plant of the five major heavy industry enterprises.

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Table 3. Machine Tools in Use by Five Major Hungarian Heavy Industry Enterprises, April 1948

(In Column 2 below: 1 - modern and new; 2 - modern and used; 3 - old but in good condition; 4 - obsolete)

		Manfred Weiss	MAVAG B	MAVAG C	MAVAG E	MAVAG Car Bldg	Ship bldg	Ganz Elec	Ganz Mach Bldg	Magyar Waggon	Ozd	Rima Borsod-nadasd	Rima Salgo-tarjan	Total
1. Cone lathes	1	62	26	4	-	11	1	11	-	9	1	1	-	125
	2	195	81	10	11	11	12	14	2	21	3	1	-	361
	3	260	111	174	8	105	44	58	10	45	17	6	-	838
	4	33	21	9	3	-	4	10	6	16	13	-	-	115
2. Turret lathes	1	-	9	-	-	-	-	-	-	2	-	-	-	11
	2	60	5	4	3	2	-	24	2	8	-	-	-	108
	3	134	61	6	1	3	4	28	1	14	-	-	-	252
	4	-	6	-	2	-	-	3	-	5	-	-	-	16
3. Automatic turret lathes	1	-	-	-	-	-	-	-	15	3	-	-	-	18
	2	20	4	-	-	-	-	3	-	1	-	-	-	28
	3	44	6	2	-	-	-	-	-	11	-	-	-	63
	4	1	-	-	-	-	-	7	-	-	-	-	-	8

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Table 3 (Continued)

		Manfred Weiss	MAVAG B	MAVAG C	MAVAG E	MAVAG Car Bldg	Ship bldg	Ganz Elec	Ganz Mach Bldg	Magyar Waggon	Ozd	Rima Borsod-nadasd	Rima Salgo-tarjan	Total
4. Head lathes	1	-	-	-	-	-	-	-	-	-	-	-	-	-
	2	-	-	-	-	-	-	-	-1	11	-	-	-	1
	3	2	5	12	-	5	4	-	-	1	1	-	-	30
	4	-	2	1	2	-	-	-	-	-	-	-	-	4
5. Vertical lathes	1	-	-	-	-	-	-	-	-	-	-	-	-	1
	2	-	2	-	-	-	-	-	-	-	-	-	-	2
	3	6	4	13	-	16	2	9	-	2	-	-	-	52
	4	5	2	-	1	-	-	2	-	1	-	-	-	11
6. Chiseling machines	1	1	-	1	-	1	-	-	-	1	-	-	-	4
	2	9	7	-	-	3	-	1	-	1	-	-	-	21
	3	23	40	16	-	11	4	1	1	13	-	-	-	109
	4	-	5	2	1	-	-	3	-	-	-	-	-	11
Transverse planers	1	5	2	1	1	-	-	1	-	-	-	-	-	10
	2	20	6	3	2	1	2	4	1	5	1	-	-	45
	3	80	23	11	-	8	5	1	1	8	5	-	-	142
	4	4	4	2	1	-	3	-	-	2	2	-	-	17

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Table 3 (Continued)

		Manfred Weiss	MAVAG B	MAVAG C	MAVAG E	MAVAG Car Bldg	Ship bldg	Ganz Elec	Ganz Mach Bldg	Magyar Waggon	Ord	Rima Borsod-nadasd	Rima Salgo-tarjan	Total
8. Longitudinal planers	1	-	-	1	-	-	-	-	-	-	-	-	-	1
	2	3	4	8	-	-	-	-	-	1	1	-	-	17
	3	20	32	29	-	10	9	2	1	11	2	-	-	116
	4	2	9	4	1	-	-	-	-	1	1	-	-	18
9. Universal milling machines	1	6	5	2	-	3	-	-	-	-	1	-	-	17
	2	14	1	6	-	-	-	12	-	1	-	-	-	34
	3	30	-	4	-	1	2	7	-	3	1	-	-	47
	4	-	-	-	-	-	-	-	-	-	1	-	-	1
10. Horizontal milling machines	1	11	4	-	-	2	-	1	-	-	1	-	-	18
	2	72	24	2	1	-	-	7	-	10	-	-	-	116
	3	100	18	7	-	4	1	1	2	17	-	-	-	150
	4	7	7	1	1	2	-	-	-	6	-	-	-	24

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Table 3 (Continued)

		Manfred Weiss	MAVAG B	MAVAG C	MAVAG E	MAVAG Car Bldg	Ship bldg	Ganz Elec	Ganz Mach Bldg	Magyar Waggon	Ozd	Rima Borsod-nadasd	Rima Salgo-tarjan	Total
11. Independent milling machines	1	7	1	-	-	4	-	4	-	-	1	-	-	17
	2	18	43	3	5	6	-	4	-	8	-	-	-	87
	3	90	7	33	-	9	1	1	-	6	-	-	-	147
	4	7	1	2	1	-	-	-	3	-	-	-	-	14
12. Vertical drill presses	1	25	-	-	-	-	-	-	5	-	-	-	-	30
	2	63	4	11	1	3	1	14	-	2	-	-	-	99
	3	283	45	22	3	32	12	18	-	39	4	-	-	458
	4	14	1	2	2	1	11	5	20	1	-	-	-	57
13. Multidrill presses	1	8	2	1	2	3	3	1	-	17	-	-	-	37
	2	10	25	3	-	2	2	3	-	6	-	-	-	51
	3	17	45	5	-	16	15	2	-	6	1	-	-	107
	4	3	1	1	-	-	2	-	-	6	2	-	-	15

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Table 3 (Continued)

		Manfred Weiss	MAVAG B	MAVAG C	MAVAG E	MAVAG Car Bldg	Ship bldg	Ganz Elec	Ganz Mach Bldg	Magyar Waggon	Ozd	Rima Borsod-nadasd	Rima Salgo-tarjan	Total
14. Horizontal drill presses	1	7	1	-	-	1	-	-	-	-	1	-	-	10
	2	14	3	11	-	4	-	-	-	8	-	-	-	40
	3	1	13	7	-	12	-	3	-	-	1	-	-	37
	4	-	2	1	-	-	-	-	-	-	-	-	-	3
15. Centering grinders	1	6	2	-	-	-	-	-	-	2	-	1	-	11
	2	12	4	2	-	3	-	-	-	1	-	1	-	23
	3	17	5	2	-	7	-	1	1	3	-	-	-	36
	4	-	-	-	-	-	-	-	-	-	-	-	-	-
16. Universal grinders	1	-	4	4	-	-	-	-	-	-	-	-	-	8
	2	4	3	6	-	-	-	-	-	-	-	-	-	13
	3	11	1	-	-	6	-	-	-	-	-	-	-	18
	4	-	-	-	-	-	-	-	-	-	-	-	-	-

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Table 3 (Continued)

		Manfred Weiss	MAVAG B	MAVAG C	MAVAG E	MAVAG Car Bldg	Ship bldg	Ganz Elec	Ganz Mech Bldg	Magyar Waggon	Ozd	Rima Borsod-nadasd	Rima Salgo-tarjan	Total
17. Bore grinders	1	14	-	-	-	-	-	-	-	-	-	-	-	14
	2	8	4	1	-	3	-	-	-	-	-	-	-	17
	3	11	9	1	-	3	-	2	-	2	-	-	-	28
	4	-	2	1	-	1	-	-	-	1	-	-	-	5
18. Centerless grinders	1	-	2	-	-	-	-	-	-	-	-	-	-	2
	2	-	2	-	-	3	-	-	-	-	-	-	-	5
	3	7	3	-	-	2	-	-	-	-	-	-	-	12
	4	-	-	-	-	-	-	-	-	-	-	-	-	-
19. Surface grinders	1	4	-	-	-	-	-	-	-	-	-	-	-	4
	2	9	4	-	-	-	-	1	-	1	-	-	-	15
	3	17	10	1	1	7	-	-	1	2	-	-	-	39
	4	-	-	-	1	-	-	-	-	-	-	-	-	1

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Table 3 (Continued)

		Manfred Weiss	MAVAG B	MAVAG C	MAVAG E	MAVAG Car Bldg	Ship bldg	Ganz Elec	Ganz Mach Bldg	Magyar Waggon	Ozd	Rima Borsod-nadasd	Rima Salgo-tarjan	Total
20. Shearing machines	1	-	-	-	-	-	-	-	-	-	-	-	-	-
	2	1	1	1	-	-	-	-	-	-	-	-	-	3
	3	-	7	-	-	4	-	-	-	-	1	-	-	12
	4	-	-	-	-	-	-	-	-	-	-	-	-	-
21. Gear cutters and grinders	1	3 6x	-	4	-	2	-	-	-	3	-	-	-	12 6x
	2	-	1	-	-	3	-	-	-	1	-	-	-	5
	3	4	3	-	-	-	-	-	-	1	-	-	-	8
	4	-	-	-	-	-	-	-	-	-	-	-	-	-
22. Planers	1	3	4	-	-	-	-	-	-	-	-	-	-	7
	2	-	1	-	-	-	-	-	-	-	-	-	-	1
	3	1	1	-	-	2	-	-	-	-	1	-	-	5
	4	-	-	-	-	-	-	-	-	-	-	-	-	-

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Table 3 (Continued)

		Manfred Weiss	MAVAG B	MAVAG C	MAVAG E	MAVAG Car Bldg	Ship bldg	Ganz Elec	Ganz Mach Bldg	Magyar Waggon	Ozd	Rima Borsod-nadasd	Rima Salgo-tarjan	Total
23. Gear-grinding machines	1	9	3	3	-	2	-	-	-	1	-	-	-	18
	2	-	-	-	-	-	-	-	-	1	-	-	-	1
	3	2	-	-	-	-	-	-	-	2	-	-	-	4
	4	-	-	-	-	-	-	-	-	-	-	-	-	-
24. Bending presses	1	-	-	-	1	-	-	-	-	-	-	-	-	1
	2	55	8	6	5	-	-	1	-	3	-	-	-	78
	3	112	1	3	6	14	10	31	-	17	-	-	-	194
	4	6	9	-	-	-	4	1	-	-	-	-	-	20
25. Friction presses	1	-	-	-	-	-	-	-	-	-	-	-	-	-
	2	12	-	-	-	-	-	-	-	-	-	-	-	12
	3	40	-	-	-	-	2	-	-	15	-	-	-	57
	4	4	-	-	-	-	-	-	-	-	-	-	-	4

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Table 3 (Continued)

		Manfred Weiss	MAVAG B	MAVAG C	MAVAG E	MAVAG Car Bldg	Ship bldg	Ganz Elec	Ganz Mach Bldg	Magyar Waggon	Ozd	Rima Borsod-nadasd	Rima Salgo-tarjan	Total
26. Hydraulic presses	1	-	-	-	-	-	-	-	-	-	-	-	-	-
	2	8	-	-	-	-	-	-	-	1	-	-	-	9
	3	22	-	-	-	4	-	-	-	1	-	-	-	27
	4	-	-	-	-	-	-	-	-	-	-	-	-	-

Thus, of a total of 4,906 units of machinery, 382 units (7.8 percent) were classed as modern and new; 1,192 (24.2 percent), as modern and used; 2,988 (61 percent), as old but in good condition; and 344 (7 percent) as obsolete.

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